Inside the Social Open Method of Coordination: The hard politics of ‘soft’ governance
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CHAPTER 6

The OMC and domestic social policy making in Belgium and France – Window dressing, one-way impact, or reciprocal influence?

Marie-Pierre Hamel and Bart Vanhercke


The ‘state of the art’ of academic writing about the Open Method of Coordination (OMC) provides contrasting findings about the effectiveness of this soft mode of European governance. Although many initial writings were quite supportive of the OMC, praise for it has recently turned into scepticism. These sceptical views seem to be in sharp contrast with other evaluations which provide convincing evidence of different kinds of ‘impact’ of these OMCs. This confusion about OMC effectiveness raises the question of how to define and measure the effectiveness of soft modes of governance. This is indeed a key question, since the many (opposed) interpretations of the OMC’s impact at national level are largely due to the absence of an agreed analytical framework for such an assessment.

Drawing on a rigorous comparison of the OMC in action in Belgium and France, our central claim is that this mode of governance is having real consequences, at least for the social inclusion policies of certain Member States, provided that one is willing to look beyond legislative changes alone, through a process of reciprocal influence between EU and domestic settings.

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2 This chapter builds on a paper I presented at the EUSA Tenth Biennial International Conference, Montreal in May 2007 (Vanhercke, 2007): the critical feedback from peers encouraged me to develop a comparative analysis, between Belgium and France, as regards the impact of the social inclusion OMC. A more elaborate version of this chapter – with a more detailed literature review – was published as Hamel and Vanhercke (2008).

3 See, for example Zeitlin and Pochet (2005), European Commission (2006a).

4 See Giti and Rhodes (2007) for an attempt to provide such an analytical framework.
Section 6.1 describes the analytical instruments we will use to analyse the OMC’s impact. Section 6.2 provides empirical evidence on the practical operation of the Social OMC in Belgium and France. Section 6.3 summarizes our findings and concludes.

6.1 Theoretical lenses for studying mechanisms and effects of ‘soft’ governance

In this section we briefly explain what kind of effects we will be looking for. It has been argued that the use of the OMC ‘toolbox’, consisting of common objectives, National Action Plans (NAPs), indicators, targets, and Peer Reviews, has both procedural and substantive effects (Zeitlin, 2005: 450).

OMC can, first of all, cause procedural shifts in governance and policy making. Member States’ commitment to 1) write forward-looking National Action Plans on Social Inclusion (NAP/Ind) and 2) coordinate their social inclusion policies and involve all levels of government, could indeed lead to increased horizontal and cross-sectoral policy integration (e.g. between and within administrations). One could also expect a stronger vertical coordination between national and subnational administrations (inter-ministerial and multi-level policy coordination). Third, the pressure from the OMC cycle regularly to assess performance in light of the Common Objectives and indicators could lead to improvements in national steering capacity. Fourth, Member States’ commitment to involve all relevant bodies in the OMC/Inclusion could lead to increased or better-structured involvement of non-state actors in national policies (e.g. grass-roots organizations and people experiencing poverty).

But we can also expect substantive effects on national policies (Barbier, 2005). The OMC involvement may lead to cognitive shifts, e.g. the incorporation of EU concepts and categories into domestic debates and discrediting of certain domestic approaches, thus modifying the political agenda. OMC can finally contribute to shifts in specific national policies, such as legislative proposals.

Different governance mechanisms can explain such procedural and substantive shifts. One is the creative appropriation of the OMC by domestic actors, also termed the ‘leverage effect’ (Erhel et al., 2005). One could indeed expect bounded rational actors to use the OMC to legitimize their own preferences, advance their agendas, criticize official positions, demand increased participation in governance etc. A second mechanism is socialization and discursive diffusion, i.e. incorporation of European categories and concepts into the domestic debate through involvement in the OMC. While using the OMC, the ideas, norms, and beliefs of the actors involved may be altered, and so they import and incorporate the orientations on which it is based. Mutual learning is another mechanism that can explain procedural changes and substantive shifts, through ‘a combination of enhanced awareness of different approaches and performance standards elsewhere on the one hand, and reflexive self-assessment, including improvements on institutional capacity for information gathering and monitoring on the other’
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(Zeitlin, 2005: 479). Finally, external or peer pressures and associated practices, such as recommendations and ‘rankings’, can help to explain ‘national’ changes.

We might further hypothesise that the OMC’s impact is related to the degree to which domestic actors have or have not been able to influence the EU decision-making process in the first place (uploading) (Börzel, 2003: 3). Indeed, in order to avoid policy misfits between the EU and domestic levels, Member States try to upload their preferences in European fora. In this way they reduce compliance problems and the associated adaptational costs (Caporaso et al., 2001: 7). By integrating this uploading dimension, we can verify whether successful uploading effectively reduces the domestic impact of EU initiatives such as the OMC.

6.2 Traces of Eve: the (in)effectiveness of the OMC in action

This section provides detailed empirical evidence concerning procedural and substantial effects which can plausibly be attributed to the OMC, and highlights the mechanisms through which they operate. We structure our results according to the five ‘instruments’ of the OMC toolbox (common objectives, NAPs, targets, indicators, and Peer Reviews), because analytically they shed light on the different sets of actors involved in, and thus the varying uses of, the OMC process. Our analysis is based primarily on more than 60 interviews with European, national, and subnational civil servants, politicians, and stakeholders (social partners and NGO representatives) working in the area of poverty and social exclusion. We corroborate their claims with as many written documents as possible.

6.2.1 Common objectives

The new ‘Common Objectives for Social Protection and Social Inclusion’ were endorsed by the Heads of State and Government in March 2006 (European Council, 2006: 70). They provide general orientations for Member States’ social policies, which should, among others, have ‘a decisive impact on the eradication of poverty and social exclusion’ (European Commission, 2005: 9).

Raising the poverty issue on the political agenda

According to most Belgian actors involved in the OMC process, Heads of States’ commitment to eradicate poverty pushed the fight against it higher on the political agenda, and keeps it there. Thus the coordinator of the Brussels Region section of the NAP/Incl says that:

If the OMC were to be abandoned at EU level, I am not sure why the regional governments would continue to invest as much in this policy area. Sometimes I feel the OMC is only bluff, but then again I believe it has mobilized our three or four governments to intensify the fight against poverty.

(Interview B1)
Her Flemish counterpart confirms that ‘through a detour OMC leads to more attention to the fight against poverty: because there is attention for the subject, because we have to ‘sell’ what we do, because we have to explain our actions’ (Interview B2). Similarly, in France, one actor explained: ‘The OMC prevents a race to the bottom in an enlarged EU. With the OMC, we see a phenomenon of emulation, through which the poverty issue stays on the agenda’ (Interview F12). Put differently: ‘With OMC, we cannot rest on our laurels. It pushes us to innovate and make further progress’ (Interview F14).

**Turning principles of activation into effective activation in France**

It seems important to underline the significant role France played in the initial decision to launch a social inclusion OMC at EU level. Under the French Presidency during the second half of 2000, the Nice European Council approved the objectives of combating social exclusion and confirmed the request to submit NAP/Incl (covering a two-year period) by June 2001, as well as the need to define indicators and monitoring mechanisms (European Council 2000: 18). Some actors refer to the personal determination of Martine Aubry, the Socialist Minister of Labour and Social Affairs at that time, to explain the large French influence in creating the OMC. According to a former President of the Social Protection Committee (SPC), Aubry saw the definition of a European inclusion strategy as a way to legitimize the French national strategy in this field, especially the 1998 Law to Combat Exclusion. As a result, ‘there were debates, but the inspiration was French over all’ (Interview EU1).

If France was so influential in uploading its priorities in the Common Objectives, did they still have any effect at the domestic level? It seems indeed that some issues which were rather far from the national political culture were ‘downloaded’ from the OMC/SPSI. The reason is not so hard to understand: even if French influence was large, the initial Common Objectives ultimately represented a European compromise, some of them clearly illustrating Member States’ different visions of the poverty issue. The definition of the first Common Objectives was particularly conflictual. Ultimately, the ‘first’ Common Objective was to ‘to facilitate participation in employment and access by all to the resources, rights, goods and services’ (our emphasis). According to a former SPC Secretary, this was a ‘completely illogical EU compromise’ (Interview EU2), since it is obvious that these are really two distinct priorities.

Even though the priority given to ‘active inclusion’ was opposed by France at the time (Interview EU2), the Commission kept up the pressure on this issue from the first Joint Inclusion Report in 2001 onwards. How far, then, has the European focus on active inclusion influenced the French domestic setting? Formally speaking, active inclusion is not a new theme in France: consider, for example, the ‘insertion contracts’ attached to the Guaranteed Minimum Income (RMI) since 1988. However, those contracts include very broad possibilities for activation, including ‘activities to improve daily life’. Moreover, contracts are not always signed or applied: in 2006, 88% of the overall recipients of the RMI did not receive any support (intéressement) aimed at ‘activation’ (Cazain et al., 2006: 1).

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This somewhat changed with the Active Solidarity Income (RSA) created in 2007. This new and experimental benefit provides the possibility for returnees to work to keep some of the social benefits they receive for a while. The RSA was proposed by Martin Hirsch, the former President of Emmaüs France (one of the main NGOs in the field of social inclusion) and, since May 2007, High Commissioner for Active Solidarities Against Poverty in the Prime Minister’s Cabinet. Most of the actors interviewed refer to the RSA as an example of European influence: ‘With the RSA, we follow Europe’ (Interview EU3). Clearly, the concern for active inclusion does not come solely from the European level. Nevertheless, when proposing the RSA, Hirsch refers explicitly to the European level, arguably to strengthen his initiative. Furthermore, his ‘National Commitment to Poverty Eradication’ (17 October 2007), specifies that ‘The Commission has published a communication on active inclusion, a process in which the implementation of the RSA is written’ (Haut Commissaire 2007). Note that this declaration also refers to the future French presidency of the European Union in the second half of 2008, which was expected to ‘give an impulse to these efforts’. Surely, a long bridge has been crossed since France opposed, only a few years earlier, the OMC/SPSI’s focus on active inclusion. It seems safe to say that the debates at European level put the activation issue higher on the French inclusion agenda, slowly creating a substantive policy shift.

In more general terms, several French actors see the OMC objectives as a framing tool for national discourse. As one actor explains:

The OMC structures the national debates. It is a battle of ideas. Would we speak of activation policies or of flexicurity without the OMC? The influence is massive and hidden. Some actors breathe another air and that affects the national policy.

(Interview EU5)

A French civil servant in the European Commission confirms that: ‘Without almost ever saying it, France is getting closer to the European process. France is bathed in the OMC, but almost nobody speaks about it’ (Interview EU7).

**Child poverty: agenda setting and new windows of opportunity**

A more concrete example of a substantive policy shift through the OMC/SPSI is the arrival of ‘child poverty’ in the political arena in Belgium and France. Although the issue is not formally inscribed in the OMCs ‘Common Objectives’, it has acquired a similar status since the European Council asked the Member States ‘to take necessary measures to rapidly and significantly reduce child poverty’ (European Council, 2006: 72). As a consequence, the Social Protection Committee asked its Indicators Sub-Group to establish a Task Force on Child Poverty and Child Well-Being, which produced its first report at the beginning of 2008 (SPC 2008). Moreover, the Commission invited Member States to tackle child poverty as a priority issue in their 2006–8 National Reports on Strategies for Social Protection and Social Inclusion (hereafter National Strategic Reports or NSR). The ‘vast majority of Member States’ followed suit (European Commission, 2007: 8, 170).
But is this an effect of the OMC in the case of Belgium? The 2007 Joint Report highlights that the third policy priority in the Belgian NSR 2006–8 is ‘to tackle child poverty by breaking the poverty cycle’ (European Commission, 2007: 170). According to Morissens et al. (2007: 5), ‘the choice of child poverty as one of the policy priorities in the Belgian NAP/Incl illustrates the growing influence of Europe and the Open Method of Coordination on the Belgian social inclusion agenda.’ Prior to the appearance of child poverty in the 2006–8 NSR, child poverty was not explicitly on the political agenda, to the point that children living in poverty were almost invisible in the Belgian social inclusion discourse (Ibid.). The European advisor to the Minister for Social Integration explains:

Child poverty is now one of our three priorities in fighting poverty. If a message is repeated long enough in the right places ... it will end up on the agenda anyway. The fact that this issue is now in our NAP proves that the OMC is used to set national policy agendas.

(Interview B4)

Some Belgian domestic actors very quickly saw the advantages of the new focus. Thus, the federal Social Integration administration proposed to set targets for combating child poverty, requiring follow-up measures in different policy areas and at different levels of government. Clearly, this strengthens the demand for coordination by the federal level. Also, the Flemish Network ‘will use the European focus on child poverty to demand thorough measures. This is a sensitive issue: after all, children cannot be blamed for being poor, so this provides us with many opportunities’ (Interview B3). At the same time, it is acknowledged that there are a number of blind spots in knowledge about this issue (e.g. teenage pregnancies, children’s experience of poverty, and the situation of migrant children), especially because the search for indicators only started after it was decided to select child poverty as a priority in the NAP/Incl (Morissens et al., 2007: 7, 23). In sum ‘child poverty’ has been catapulted from the OMC into the Belgian political arena through external pressure, and some of the key actors revised their attitude towards it surprisingly quickly.

A similar, yet less explicit, substantive shift occurred in France. Indeed, the 2006–8 French NSR, unlike the Belgian one, does not explicitly refer to ‘child poverty’ (European Commission, 2007: 249). Even if the French NSR does not mention this issue it is seen by several national actors as an ‘importation’ distant from the national culture (Interview F12). Just as in Belgium, some actors confirm that now that they are confronted with this European theme, they end up ‘using it’ at the national level. Certain actors judge that the emotional dimension related to the children can help to fight poverty in general, and they want to use this category to expand policies to other categories (the elderly, the young, the disabled etc.), so that they will eventually cover the majority of the excluded (Interview F2).

This perception of social inclusion actors is confirmed by the 2006 annual report of IGAS (Inspection Générale des Affaires Sociales), one of France’s three inter-ministerial inspectorates-general. The IGAS report concludes that child poverty is now a preoccupation at the French domestic level because of European concerns. At the same time, the report deplores that no coherent and specific national policy was developed to effectively eradicate child poverty (IGAS,
The child poverty rate (15.5%) is higher than the average in France, thus requiring targeted actions (Haut Commissaire, 2007). In conclusion: this EU concept has penetrated the Belgian and French domestic arenas and may lead to shifts in specific policies in the medium term.

6.2.2 National Strategic Reports

Following the streamlining of the OMC/SPSI in 2006, Member States are now charged with translating the common objectives into NSRs for each of its three strands (Social Inclusion, Pensions, and Health and Long-Term Care). Since the Common Objectives on poverty and social exclusion require Member States to ensure ‘that social inclusion policies are well-coordinated and involve all … relevant actors, including people experiencing poverty’ (European Commission, 2005: 6), the Commission has put a lot of pressure on Member States to involve a wide variety of actors in the preparation of the inclusion section of the NSR.

**Involvement of non-state actors: reinforcement of initially different positions between Belgium and France**

At the start of the Social Inclusion OMC in 2000, Belgium was rather confident about the way it organized stakeholder involvement in its social inclusion policies. Many considered Belgium a ‘model’ in this respect, which could be a source of inspiration for other Member States (Interviews BE2, BE3, BE4). Thus, the Resource Centre for the Fight against Poverty, Precariousness, and Social Exclusion was established in 1999 in order to ensure a permanent dialogue between representatives of the associations of the poor, the social partners, the (local) public agencies, and the health insurance organizations. One would think that, under such circumstances, with a large apparent fit between EU and domestic policies, a ‘soft’ mode of governance could hardly have any significant procedural impact at the national level.

The opposite is the case. To start with, as one can read from the evaluation of the first Belgian NAP/Incl, it seems that the Belgian ‘model’ of stakeholder involvement looked much better on paper than in practice: ‘Grassroots organisations have not participated in its design and have been barely informed of its existence two weeks before its submission to the European Commission’ (Nicaise et al., 2003: 29). Hence the Commission judged, in its first Joint Report on Social Inclusion, that ‘The involvement of stakeholders … was limited due to time constraints’ (European Commission, 2001: 87). In response, Belgium set up an ‘Actions’ and an ‘Indicators’ Task Force for the preparation and follow-up of the second NAP/Incl. Both the national and subnational (regional) level are represented, as are stakeholders of local administrations, representatives of both sides of industry (through the National Labour Council), academics, and associations of the poor.

This somewhat improved their effective involvement, but not drastically: for the second NAP/Incl ‘the consultation with other stakeholders (including associations representing the poor) has been fairly extensive’, but ‘time was lacking for the other stakeholders to review and debate the preliminary draft of the NAP 2003–2005’ (Groenez and Nicaise, 2004: 2–3). The Commission highlighted the fact that the Belgian government admitted that mobilization had
only been partly successful and there was still much to do (European Commission, 2006a: 22). This second cold shower resulting from external (Commission) pressure, combined with the acknowledgment (through mutual learning) that perhaps Belgium was not the best pupil in the class after all, led to real procedural shifts; i.e. increased stakeholder involvement in the elaboration of the NAP/Incl at the beginning of 2005.

In sum, involvement of stakeholders in the preparation of the NAP/Incl matured step by step, and Belgian authorities learned that their ‘participatory model’ (which they uploaded with considerable success to the EU level) could (and still can) be further improved. The fact that they did actually adapt their ways of doing things is no coincidence. The coordinator of the Belgian NAP/Incl explains that:

> The sector of organizations where the poor take the floor use the reference to participation in the NAP/Incl to underline the fourth Nice Objective about the mobilization of the actors over and over again. They may not read the NAP, but they will use it to obtain subsidies if they can. ‘Mobilization’ works as leverage, a powerful argument.

(Interview B5)

In other words, whereas the design and follow-up of the first Belgian NAP/Incl had to some extent been ‘disconnected from “mainstream” policy-making and evaluation fora’ (Nicaise et al., 2003: 26), it now seems that the social inclusion OMC now has a strong ‘ownership’ (Morissens and Nicaise, 2007: 4). This is so despite the fact that NAP/Incl continues to coexist with the biannual reports on the evolution of poverty in Belgium, which are produced, since 2001, by the aforementioned Resource Centre for the Fight against Poverty, Precariousness and Social Exclusion.

Finally, it seems important to underline that the procedural shifts described here are becoming institutionalized at different policy levels, and are affecting stakeholder involvement in domestic social inclusion policies beyond the preparation of the NAP/Incl. First, there are strong indications that the ‘Indicators’ and ‘Actions’ Task Forces are increasingly integrated into pre-existing national coordination mechanisms, such as the Inter-Ministerial Conference (IMC) for Social Integration, which was set up to achieve greater coherence in social inclusion policies. Second, procedural changes are taking place in Wallonia:

> The Walloon Combat Poverty Forum drew inspiration from its Flemish counterparts, which have been structurally involved in the NAP/Incl for a long time, and is now being invited to participate in the meetings. It seems that the Combat Poverty Forum will soon be entitled to structural funding as well. In this way the OMC provide stakeholders with a place in policymaking they never obtained before.

(Interview B5)

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6 The Inter-Ministerial Conference for Social Integration is entrusted with the design and monitoring of coordinated government policies at all levels of government (federal, community and regional). It is supposed to meet at least twice a year.
In France too, there is a long-standing tradition of contacts between NGOs and government in the field of social inclusion. NGOs have been involved in structured political action since the mid-1980s, notably through the action of a group called ALERTE that played an important role in the preparation and adoption of the 1998 Law to Combat Exclusion. The involvement of NGOs in the NAP/Incl exercise runs mainly through the National Council for the Fight Against Poverty and Social Exclusion (CNLE). The process is the following: the unit responsible for writing the NAP/Incl in the 'social' ministry, the General Directorate for Social Action (DGAS), sends a first draft to the CNLE, which gives its opinion. DGAS then sends a 'final' draft to the CNLE for discussion.

The question then is: did the OMC, and the NAP/Incl exercise more specifically, influence the links between the NGOs and the state? According to some actors, since consultation was already effective before the OMC was launched, the latter did not really influence the involvement of non-state actors (Interview F12). Moreover, NGOs are often less involved in the NAP/Incl consultations than in the national policy process. One of the major problems with the NAP/Incl is that it is not seen as a strategic exercise. The French NAP/Incl presents policies that are already in place or have already been decided at the national level. Besides the NAP/Incl, other more strategic national plans on inclusion are published regularly in France (1998, 2003, 2004, 2007). As one of member of the CNLE comments on the 2004 Social Cohesion Plan (Sénat, 2004): ‘There was this important political step, while we were talking about the NAP, an administrative, imposed exercise where we put in boxes actions that are already done. It was frustrating’ (Interview F13).

To improve things, some would like the French NAP/Incl to become a political exercise that could be presented to the Parliament (Interview F12). Many French, as well as Belgian, actors interviewed also suggest that the pre-existing national social exclusion plans and the NAP/Incl should be combined into a single plan, or at least their respective roles should be clarified.

**Cross-sectoral coordination effects**

The requirement for Member States to draft a NAP/Incl is particularly challenging in a country such as Belgium, where some of the key competencies, including the implementation of social assistance, are exercised by the subnational level (Regions and Communities). One consequence of writing OMC reports together is that existing differences in subnational policy making are brought into the spotlight.

Thus, cross-sectoral policy integration varies widely between the Regions. In Flanders, the annual Flemish Action Plan for Poverty Reduction (VAP), adopted by the regional government for the first time in 2001, coordinates the initiatives in some 10 different policy areas. The Walloon Region has created, within its Ministry and under the direct authority of the Minister-President, an Interdepartmental Directorate for Social Integration (DIIS), which coordinates the implementation of social inclusion policies. In Brussels, the Observatory for Health and Social

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7 Within the DGAS, the ‘Bureau des politiques de prévention, d’insertion et de l’accès aux droits’ is responsible for preparing the NSR.
Affairs produces yearly reports on poverty and social exclusion and provides technical assistance to initiatives of the regional government, but there are only limited cross-sectoral coordination efforts.

There is some evidence that the preparation of the NAP/Incl has led to increased efforts to coordinate and streamline policy initiatives across sectors within each of the latter two regions. Brussels and Wallonia recently announced that they would start elaborating strategic poverty plans, which would probably not have happened without the EU. The coordinator of the Brussels Region part of the NAP/Incl confirms that:

The new law of July 2006 announces a Brussels ‘Action Plan against Poverty’, which will probably be produced in 2008 for the first time. That is where you see an influence of the NAP. We decided to kill two birds with one stone: we will elaborate a real Plan for our own purpose, and it will also be the Brussels contribution to the NAP. In that way, the work we did for the NAP since 2003 ultimately affected the Brussels Region: both the political and administrative level have been mobilized to do something much more structured, much more coherent, rather than continue to superpose measures.

(Interview B1)

In France, the fight against poverty and social exclusion is, since the 1998 Law to Combat Exclusion, formally ‘a priority of all the public policies of the nation’, based on inter-ministerial cooperation and partnership. A specific institution was created to implement this collaboration, namely the Inter-Ministerial Committee to Combat Social Exclusion (CILE). However, the members of the CILE met for the first time in July 2004, and a second meeting took place only in May 2006 (in preparation for the NAP/Incl 2006–2008) (DGAS, 2006). Another central actor in the coordination of social inclusion policies is the DGAS. Following national and European requirements, it submits drafts of the NSR to involved actors (mainly CILE and CNLE).

According to some of the people in charge, the preparation of the NAP/Incl has enhanced the cooperation between administrations foreseen by the 1998 Law, but this is still very limited. Even the recent streamlining of the pension, exclusion, and healthcare OMCs (2006), which are now presented in the same NSR, has so far not led to real coordination between administrations. As one administrative actor told us that exchanges between those OMCs ‘would be interesting, but nobody is really in charge of coordinating the exercises and there is no real dialogue between the ministries in charge. Without a real political will, this coordination could hardly happen’ (Interview F4).

In sum, there is no convincing evidence that the horizontal collaboration aimed for by the 1998 exclusion law has been significantly improved by the NAP/Incl exercise, and it remains very limited in any case. Since the French NAP/Incl is seen by most involved actors as a mere reporting exercise, and not as a strategic document, it seems to be hard to create momentum around it.

Does this mean that the NAP/Incl will have no impact at all on horizontal policy integration in France? This may be too hasty a conclusion. Indeed, it seems that the cross-fertilization between
the NAP exercise and France’s new budgetary framework (Loi organique relative aux lois de finances, LOLF) may have a major impact on enhancing the horizontal cooperation aimed for by the OMC.

The LOLF is a new architecture of the French state budget and is often termed ‘revolutionary’. Within the LOLF, in order to address a number of cross-cutting issues (such as road safety, delinquency prevention, and fight against global warming), 11 so-called Cross-Cutting Policy Documents (Documents de politique transversale, DPT) were created. One of these DPT presents all the financial resources of all the ministries that take part in the fight against poverty and social exclusion strategy in one single document. This ‘Social Inclusion Cross-cutting Policy Document’ (Social Inclusion DPT) was created by the aforementioned CILE in 2004 and has been published yearly since 2006. The DGAS is in charge of its management. The Social Inclusion DPT of 2006 underlines that its creation is part of this cross-functional approach which, although initiated along with the law of 29 July 1998, was enhanced and extended with the introduction of the NAP/Incl in 2003. Furthermore, in order to achieve consistency, the scope of the Social Inclusion DPT is the same as that of the NAP/Incl. The same goes for the internal structure of the DPT, which is based on the three common objectives of the NAP/Incl (Ministère de l’emploi, de la cohésion sociale et du logement, 2005: 7–8).

For some within DGAS ‘affirming and enhancing the inter-ministerial character of the fight against exclusion policy and linking the DPT to the NAP/Incl are ways to further enhance the legitimacy of the fight against poverty and social exclusion’ (Interview F4). Moreover, as explained by one of the French OMC experts, with ongoing work on ‘indicators’, with the importance given to the ‘goals’, and with the organization of policies by programmes, there is an interpenetration of the management models between the French and European practices. The LOLF and the DPT are good examples of such cross-fertilization (Legros, 2006).

In sum, it seems that the OMC, linked to a new national financial instrument, is creating new leverage in France, which may create important procedural effects, i.e. increased cooperation between different administrative units (horizontal and cross-sectoral policy integration). In Belgium, increased cross-sectoral coordination can be seen in Wallonia and (especially) Brussels, mainly because the differences from pre-existing coordination practices in Flanders were made explicit by jointly writing the NAP/Incl.

**Vertical coordination in decentralized Member States**

The new Common Objectives require Member States to ensure ‘that social inclusion policies are well-coordinated’ (European Commission, 2005: 6). The initial Common Objectives (agreed in 2000) stipulated that Member States need to ‘mobilize the public authorities at national, regional and local level, according to their respective areas of competence’ (European Council, 2000: 9). In practice, the need to jointly prepare NAP/Incl can be the main vector for this coordination (Zeitlin, 2005: 459).

The latest episode of decentralization of social policies in France was approved in 2003 and implemented in 2005. At that moment, most of the responsibilities in the social field were
transferred to the departments. After this last episode of decentralization, the national level had to construct a new role for itself, and created instances and tools such as the Departmental Commissions for Social Cohesion (set up in 2006) with a view to coordinating a wide range of actors at the local level (Prefect, state representatives, NGOs, family funds, etc.). The Territorial Charters for Social Cohesion are another example: created in 2004, under the authority of the prefects, they aim to support a joint regional social cohesion strategy.

Despite these efforts, the Departmental Commissions are not effective, since many of the actors they were supposed to involve do not participate in them, whereas the Territorial Charters do not seem to be operational for the moment, due to a lack of enthusiasm on the part of the prefects and local actors (Interview F4). These difficulties in organizing vertical coordination of social inclusion policies in France are not hard to understand: since the (recent) decentralization, the departments simply want to control their own policies, and distrust any attempt by central government to impose its will on them.

But how does all this link up with the NAP/Incl? As one interviewee stated ‘French actors were trying to understand and implement decentralization of social inclusion policies at the time of the second NAP/Incl in 2003, so the NAP was perhaps seen as an inconvenience at the time’ (Interview EU2). Interestingly, however, it seems that national civil servants saw the NAP exercise not merely as a distraction, but also as an opportunity to get a grip on the aforementioned Departmental Commissions and Territorial Charters by involving them in the preparation of the NAP/Incl. For example, with regard to the Territorial Charters for Social Cohesion, the idea was to pick an objective of the NAP/Incl that fitted with the local preoccupations, and to ask the local actors to propose actions to illustrate this objective. Those local examples, as well as proposals for future actions, would then be joined together into ‘regional NAPs’. The Departmental Commissions for Social Cohesion are being defined by the national administration, as bodies which should ‘provide Prefects with a tool for coordinating and ensuring a departmental coherence of the policies on social inclusion defined by the state and by the European bodies (NAPs)’ (DGAS, 2006: 7).

In other words, the DGAS was inspired by the OMC to define and implement its newly acquired role vis-à-vis the regional and departmental level. One actor puts it like this:

We have integrated the OMC well and it suits us well. For us, the OMC has exclusive, or almost exclusive, influence on the governance process. It inspires us. It works with the new role that we have been trying to define for ourselves since the decentralisation process … Nevertheless, political will would really help us to apply new forms of governance inspired by the OMC at the national level.

(Interview F4)

A working group of the CNLE, issuing a report on ‘Piloting and Articulation of the Fight Against Exclusion Policies Defined at the European, National and Local level’, confirms the OMC as a source of inspiration in terms of governance when it proposes, among others, that a national OMC should be developed to create policy convergence (CNLE, 2006: 28). This said, the fact that the national administration tried to seize the OMC (NAP/Incl) to reinforce its own position...
The OMC and domestic social policy making in Belgium and France domestically does not mean that it was successful; so far, The departments are often opposed to the national interventions, invoking the “subsidiarity principle” (Interview F4). On the other hand, it is not in the culture of the national level to collaborate with the ‘lower’ levels in the decision-making process. France has a long unitary state history, with a strong top-down management tradition. As one actor puts it, ‘In France, the NAPs remain national exercises. For the local level, it is a “Parisian exercise”’ (Interview F8).

In Belgium, by contrast, the evolution from a unitary into a federal State has been the result of a gradual process initiated in 1970. The radical 1993 reform put in place, besides the federal level, both the Communities and the Regions, which became responsible for crucial social inclusion policies such as housing and employment policies, thereby further hollowing out the centre (Hooghe, 2004).

How, in such a complex institutional setting, is the input in the preparation of the NAP/Incl organized? In its evaluation of the social inclusion and pensions OMCs, the European Commission noted that:

Several countries (Belgium, Finland, France, Germany, Ireland) stress that they took advantage of pre-existing coordination and consultation arrangements to prepare their NAPs, in some cases developing them further. For instance, Belgium uses federated structures but has added actions and indicator task forces to prepare and follow up the NAP.

(European Commission, 2006a: 21–2)

Note that those ‘Actions’ and ‘Indicators’ Task Forces are prepared and presided over by federal civil servants, from the federal Social Integration and Social Security administrations, respectively. Furthermore, as regards evaluation, a specific online monitoring instrument for the NAP/Incl has been created by the federal Social Integration administration. As a federal civil servant explains:

The federal administration has proposed the three priorities for the last NAP, which were inspired by the EU level. We have more or less steered the decision making in this direction, prepared the meetings in this sense. There have been discussions about why other priorities (for example debt) were not taken into consideration, but in the end everyone accepted our proposal.

(Interview B5)

Finally, the federal administration is also in charge of the biannual conference during which the NAP/Incl is discussed with a wide variety of actors, and which increasingly takes the form of an ‘internal Belgian Peer Review’. This new role for the federal administration has not gone unnoticed by most of the actors:

8 Flemish, French, and German.
9 Flanders, Wallonia, and Brussels.
The Federal Social Integration Administration keeps track of the implementation records, coordinates the NAP. The federal level has thereby regained a better overview over the poverty policies of the Regions and the Communities. You could speak of a 'light steering effect' or a 'more active coordination' than in the past. The Regions have changing moods about this situation. Sometimes they see it as a burden, sometimes they want to be part of it as well.

(Interview B4)

With regard to the targets which were prepared for the third NAP/Incl, the federal administration interpreted its role very broadly:

At the political level, Belgium has always been in favour of those targets, but we did not manage to develop them for our own NAP. So the administration had to take responsibility for it, and move faster than political decision making. Until recently we just waited, but now we were forced to write our own proposal, based on the work of the Indicators Taskforce. We set up an internal benchmarking, so that each region would perform well on at least one of the targets. The day before the final inter-cabinet meeting we sent our proposal to the cabinet. It was agreed without discussion, and integrated into the NAP – we are not even sure they know what they agreed to.

(Interview B5)

In sum, in both countries, the European level is used to try to increase the coordinating role of the national government, through the NAP/Incl, in a context of decentralization. Europe inspires the national level that is trying to find a new governance model, and provides justifications for its ‘new’ potential role vis-à-vis the local or regional levels. In Belgium the effects are already tangible: the OMC/SPSI stimulates Regions, Communities and central government to exchange experiences. The Communities and Regions also seem to have delegated some authority to the federal level for coordination and follow-up of the OMC. Thus, even in the absence of a single, overarching cooperation system with regard to EU social policies, it seems that the OMC keeps the federal level at the centre, even in a policy area that has been regionalized to a very large degree. This finding confirms the general conclusions of Beyers and Bursens (2006: 1073), that because of European integration the Belgian central government remains an influential actor even with respect to issues outside its competences. And it confirms their finding that extensive regional capabilities coincide with a high (rather than low) level of cooperative behaviour within Belgium (Ibid.: 1074).
Improving steering capacity in Belgium

A procedural effect of participation in the NAP exercise results from the fact that social inclusion policies are continuously being monitored, both by the EU and at the national level. A monitoring instrument for the NAP/Incl was set up by the federal Social Integration administration. Even though far from perfect, this monitoring seems to create at least some external pressure on those involved in policy making:

The European process is our anchor point, sometimes we can say ‘we have to do this’, for example with regard to the requirement to set targets. The rhythm is important as well. We have to follow: writing a plan, evaluation, monitoring, writing a new plan. And being questioned about why some things were not realized. The continuity of this exercise cannot be underestimated, the OMC certainly keeps us focused, and it shortens the policy cycle, even though politics is never a straight line.

(Interview B4)

A senior civil servant of the federal Social Integration administration claims that:

So far, the existing instruments and institutions like the Resource Centre issue recommendations, but rarely verify what happens to them in policy terms. Let alone that the government itself would reflect upon what it realized as compared to the promises it made. This new policy phase, of monitoring and evaluation, has now been created in Belgian social policy making through the OMC and the NAP, also because it is a continuous process. We can now say: of all the measures that have been announced in the NAP 2001/2003, 80% have been put into place, and 20% have not.

(Interview B5)

In other words, certain actors have successfully revised the institutional setting so as to advance a ‘spirit of evaluation’ in Belgian social inclusion policy making (Morissens and Nicaise, 2007: 17). Even though technical and other obstacles still impede a thorough evaluation of the implementation of many measures, at least at the cognitive level the OMC has helped to create a U-turn in this respect.

6.2.3 Indicators: building statistical capacity through EU-SILC

According to Frank Vandenbroucke, one of the political architects of the Social Inclusion OMC, indicators constitute no less than ‘the actual litmus test for the political readiness to engage in open coordination. Anyone who paid lip service to this method, should put their words into action when it comes to the development of indicators’ (Vandenbroucke, 2001: 3). In December 2001, the Laeken European Council adopted a battery of 18 commonly agreed and defined indicators for social exclusion, which was revised with the streamlining process in 2006 (European Commission, 2006b). Despite their different starting positions, involvement in the OMC had similar, and important, effects in Belgium and France.
At the end of the 1990s, Belgium's official statistical capacity with regard to poverty and social exclusion faced real challenges. The National Statistical Institute (NIS) possessed hardly any know-how in this area, and was completely dependent on two universities (Liège and Antwerp) to provide statistical information which the latter collected through the annual Panel Survey on Belgian Households (PSBH). These universities made these Belgian national panel data available to Eurostat, which then adapted them for integration into the European Community Household Panel Study (ECHP). The relationship between the Belgian National Statistical Institute and Eurostat was rather tense: for almost five years the NIS contested the validity of the Belgian ECHP data. This led to considerable confusion and sharp national debates: depending on the source used, Belgium performed between ‘very well’ and ‘on average’ as compared to other countries. Even more important, there was no agreement about the long-term evolution of the poverty situation: according to Eurostat calculations, poverty decreased over time, while the Belgian panel data indicated the contrary. In sum, Belgium faced a double challenge: weak official statistical capacity and contested poverty and social exclusion indicators.

During the second half of 2001, the situation changed in important ways, since the Action Programme on Social Inclusion boosted discussions on the SILC dataset, which has replaced the ECHP survey. At that moment, the technical problems facing social statistical capacity in Belgium arrived at the political level. Indeed, reaching an agreement on commonly defined indicators for social inclusion was one of the top priorities of the 2001 Belgian EU Presidency, and thus it was inconceivable that the country would be unable to participate in the new statistical tool designed to provide the data on which they would be based. Vandenbroucke, then Belgian Minister for Social Affairs, therefore instructed his cabinet to resolve this situation as soon as possible, so as to ensure that Belgium would a) not be the only Member State with missing values for social inclusion indicators in the 2001 Spring Report, b) be able to participate from the very beginning, in the gentlemen’s agreement between six Member States, as well as Norway, that would pre-launch EU-SILC as from 2003 (Marlier et al., 2007), and c) be able to use (uncontested) Laeken indicators in the 2003 National Action Plan, since it had been pushing other Member States to do just that.

As a result of further negotiations between Eurostat and the Belgian authorities, a compromise was reached in November 2002, following which the Belgian ECHP data were released. The national statistical institute thereafter decided to boost its own statistical capacity so that it could organize the collection of social data itself.

In sum, commitment to the OMC/SPSI had a major impact on statistical capacity building in Belgium. And this is not the end of the indicators story. Take, for example, the increase of the minimum income for elderly people, ‘GRAPA’ in French, since December 2006. The former Belgian Minister for Pensions, Bruno Tobback, explains that: ‘Sometimes the OMC can be

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10 The Belgian Presidency commissioned an in-depth methodological research project for this specific purpose (Atkinson et al., 2002).
11 Belgium, Denmark, Greece, Ireland, Luxembourg, and Austria.
12 As a result of the recalculations made by Eurostat, the Belgian at-risk-of-poverty rate decreased by no less than 2%.
usefully applied in the national debate. For example, we legitimized the increase of the GRAPA by pointing out that the benefit levels were below the European risk of poverty line’ (Interview B6). According to the deputy head of cabinet of the Belgian Ministry for Social Integration, the European risk-of-poverty norm acquired a broader mobilizing character:

It has become widely accepted. It is a substantive argument in budgetary negotiations ... In order to determine whether people are entitled to free legal assistance, the European risk-of-poverty norm is also the relevant criterion now. References to European norms, and EU-SILC calculations, have become frequent in policy discussions and documents.

(Interview B4)

Arguably, at the time of the agreement on the Laeken indicators, France started from a very different position. National statistical capacity in the social field was already well developed. As one (non-French) indicators experts told us:

‘France is one of the European countries which has the most valuable statistical system’

(Interview EU4).

Even so, it would be wrong to assume that French involvement in the development of European indicators has been without effect. According to the former Director of the Division of Research, Studies, Assessment and Statistics (DREES), the definition of the (revised) Laeken indicators has further enhanced France’s national steering capacity. The weight of European requirements gives us a means of pressure to develop statistical data. It also explains that some social indicators are more and more taken into account at the national level’ (Interview F6). More concretely, the European level is used at the national level to try to push the harmonization of domestic indicators. In France, there is a lack of coherence between the indicators used in different settings and institutions. Different indicators of poverty and social exclusion are used or proposed by the NAP/Incl, the DPT, the Social Cohesion Plan, and by local authorities. The National Monitoring Centre for Poverty and Social Exclusion (ONPES), an organization set up in 1998 by the exclusion law, proposed in its 2005–2006 Annual Report to start using, at the national level, 11 ‘harmonized’ indicators based on the Laeken set (ONPES, 2006: 51–5). Since then, CILE has asked CNLE to decide, together with ONPES and other concerned institutions, on a list of common indicators (CILE, 2006: 15). So far, this has not been done.

Consider, finally, the influence of OMC on the French debate about the evolution of an important indicator, i.e. the monetary poverty indicator threshold. In France, the official poverty rate is 50% of the median income, while it is 60% at the European level (Eurostat). For a number of years now, France has officially refused to align its poverty rate with the European one, but this is changing. The use of the Laeken indicators in the domestic context, as proposed by ONPES, implies the use of the 60% rather than the 50% threshold. While CNLE still has to give its opinion on this issue, CILE has already decided to change the presentation of the poverty rate in the future NAP/Incl: it will align the poverty threshold with the EU norm (CILE, 2006: 15). For the moment, we note that the National Institute for Statistic and Economic Studies (INSEE) presents both thresholds in its publications.
In sum, the statistical effort inspired by the social inclusion OMC enhanced both Belgium’s and France’s statistical capacity, even if they started from very different initial positions.

6.2.4 Targets: creative appropriation in Belgium, trickling down in France

Targets are the ‘quantification’ of the Common Objectives. In the first round of NAP/Incl, submitted in 2001, only a minority of the then 15 Member States included outcome targets. This changed after the strong political impetus for an enhanced role for targets in the next round of NAP/Incl from the March 2002 Barcelona European Council (European Council, 2002). Yet, there were exceptions. Indeed, it came as some surprise to most European partners that Belgium did not integrate any quantified targets in its 2003 NAP/Incl (European Commission, 2004: 40).

After all, Belgium was one of the most outspoken supporters, and arguably among the architects, of the Barcelona European Council Conclusions on this issue. And yet, the reason is actually quite simple: despite the lip service paid to the importance of precise targets, no political agreement could be reached on the targets, which has everything to with the operation of the principle of subsidiarity within the Belgian context.

Indeed, the design of most policy areas is complicated in Belgium by the fact that, even in areas with subnational competencies, framework rule making often remains federal (Hooghe, 2004). For an agreement on almost any quantified target in the area of social policy, unanimous agreement is needed between five different governments which are on equal footing, since the federal government has no superiority over the subnational levels.

Thus, for some it came as a considerable surprise that in the most recent NAP/Incl (2006–2008), Belgium did in fact propose a wide set of quantitative targets, for each of the policy priorities. This is in fact the first time that Belgium has formally committed itself to explicit targets in this area. Even more crucially, these targets also cover some of the most ‘difficult’ policy areas in view of the internal sharing of competencies described above. Thus, Belgian targets address housing and education, both of which are mainly subnational (Regional) competencies, but with important federal involvement. It is important to note that the NAP/Incl sets overall ‘Belgian’ targets, and not subnational ones. The importance of ‘Belgian’ targets being applied to subnational competencies cannot be overestimated: it is widely acknowledged that pursuing these national targets is only possible through increased coordination of regional policies, which is not self-evident, given the institutional context.

According to the President of the Flemish Network, which plays an increasing role in the preparation of the NAP/Incl13, this is exactly where OMC provides added value: ‘the Network has insisted on finding agreement on targets in policy areas with shared competencies, since it is in those policy areas that deadlocks arise because of lack of coordination’ (Interview B3). Some of the key actors involved in the Social Inclusion OMC are already seeing some impact of the precise targets that were agreed. Thus, the national coordinator of the Belgian NAP/Incl claims that:

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13 Namely through the ‘Task Force Actions’ in which different stakeholders and experts are represented and which prepares the NAP/Incl, together with the ‘Task Force Indicators’. 
With regard to social housing the National Action Plan clearly highlights that the numbers need to increase. After the European Commission’s recommendations to Belgium in the Joint Report, social housing became an issue of discussion in Flanders. The Minister for Housing was questioned by the media, the sector, the Flemish Parliament: what will you do to increase social housing as you announced in the Plan? (Interview B5)

But Belgium was not the only Member State that was reluctant to set targets. In fact, national quantitative targets were never officially adopted in the French NAP/Incl. The 2003–5 NAP presented some (minimal) targets, but they were abandoned in the 2006–2008 NAP (PNAI, 2003: 117). A working group of the CNLE actually rejected, in 2005, the idea of national quantitative objectives in the field of poverty and social exclusion, referring mainly to practical difficulties (data for monetary poverty indicators are, for example, known only two and a half years later) (IGAS, 2006: 312). To explain the absence of national targets in France, some of the actors interviewed also argue that it is hard to ‘influence’ a poverty rate or a child poverty rate. The interpretation of those indicators is also seen as problematic. A deterioration in the poverty rate can be a consequence of the inefficiency of public policies, or linked to the need for more resources (Interview F6). ‘It is better to analyse and to disaggregate the indicators to understand the causes instead of fixing those targets. What is the point of having targets if we don’t know how to affect them?’ (Interview F6).

Another explanation for this opposition to the creation of quantitative targets is linked to the decentralization process. The difficult and unclear relationships between the national and local level certainly explain why it is hard to create those targets. According the annual report of the IGAS, national targets that would be fed by local indicators would be a way to attenuate the tensions between both levels. However, that would suppose a ‘real’ consultation process, which is far from the French tradition. Moreover, with common targets, common local indicators should also be developed. But until now, those indicators have not been defined, and so there are no information systems that provide comparable data at the local level (IGAS, 2006: 322-4).

Nevertheless, the governance by ‘targets’ promoted by the European level is beginning to be introduced in France. The NAP/Incl 2006–2008 explained that, in 2006, the CILE decided to fix some targets and indicators to evaluate progress in the fight against poverty and social exclusion. The CILE justifies this by referring to the Lisbon Strategy (CILE, 2006: 14). Work on those targets was supposed to begin at the end of 2006 (European Commission, 2006b: 17), but this has not yet produced concrete results. However, in his National Commitment to Poverty Eradication, Hirsch proposes a quantified objective: diminishing poverty by one-third in five years. ‘This is a good example of a completely new culture in France that largely comes from the European level’ (Interview F8).

In sum, target setting is a new feature of social inclusion policy making in Belgium and France, which has been introduced, albeit at a slower pace in the latter country, through the OMC. In Belgium setting targets in well-chosen policy areas is becoming an additional strategic argument to obtain better coordination of those policies between vertical levels of government.
6.2.5  Peer Reviews: limited learning from others, but internal spill-overs and a ‘mirror-effect’

Peer reviews are supposed to be central to the OMC learning process. They are mutual learning processes based on the systematic evaluation of good practices and assessment of selected policies or institutional arrangements presented in the NAP/Incl of the Member States.

By participating in Peer Reviews, actors should eventually learn from other countries’ ‘good practices’. This mechanism can inspire procedural and even substantive national shifts. However, it appears that the Peer Reviews are mainly considered, at least in France, as an exercise for civil servants and experts. Some of the French actors interviewed think that Peer Reviews could be useful, but that a good diffusion of their ‘results’ is lacking (Interview F12).

The academics and the specialists who work in Brussels know about the Peer Reviews, but the administrative and elected actors are not often familiar with it. And even if they know about the exercise, they don’t know where to get the results.

(Interview F15)

And yet the Peer Review exercise had an unintended consequence. The French field of fight against poverty is often described as extremely intricate, involving many actors with a complex division of competences, and sectoral, specialized and fragmented policies (Palier, 2005: 307). To facilitate cross-national comparison as part of a Peer Review exercise, the DGAS prepared a document presenting the national fight-against-exclusion policy field (DGAS, 2006). Some actors told us that it was the occasion, for the first time, to identify all the actors in the national arena, their roles, and their policy responsibilities. In other words, the need to present the national system to others, which is necessary for any comparison, leads to what we call a ‘mirror effect’: exposing the national field to others gives a clearer vision of one’s own practices.

Even though the perceived impact of the Peer Reviews is very low, a more systematic comparison with other countries is cited by most of the actors as one of the most important contributions of the European exercise: ‘With Europe, it is more in the national culture to look for what the neighbours are doing’ (Interview EU15). There is an increased awareness of policies, practices, and performances in other countries, by non-state as well as by governmental actors. Thus one French NGO activist organized a cross-channel study trip through the European Federation of National Organizations Working with the Homeless (FEANTSA) to investigate the domestic applicability of an ‘opposable right to housing’ introduced by the Homeless Scotland Act of 2003 (Interview F13). Such comparisons, through socialization and learning, may contribute to cognitive and eventually policy shifts. Yet, as one actor puts it, ‘comparison is used more in a political way by actors that want to legitimate national actions (leverage). Comparison is less used to really learn about the way to change the national policies’ (Interview EU5).

Belgian actors generally confirm the views of their French counterparts. At the same time, Peer Review as interpreted in Belgium provides a striking example of institutional change: the European way of doing seems to have spilled over in Belgium to create an internal learning process between different levels of decision making.
Thus, the national coordinators of the Belgian NAP/Incl see an increase in interregional exchanges, and refer to ‘a kind of OMC within Belgium’, which is complemented by increased informal contacts between regional and federal civil servants (Interview B5). Furthermore, ‘There are a number of examples of conscious learning from each other, between the regions’ (Interview B2). The Director of the President of the Flemish Network of Associations where the Poor Take the Floor confirms that ‘discussing each other’s policies, between regions, is a new feature in Belgian social policy making’ (Interview B3). The Deputy Head of Cabinet of the Ministry for Social Integration provides insight about the actual mechanisms of the ‘internal learning process’:

The Flemish see what the Walloons write in their Plan, and wonder why they could not do something similar. In principle this could also happen without the OMC, but the number of places where there is a wider view on the whole country and where exchange of ideas are possible, are becoming scarce. It is important that we hold on to them, certainly now that the process is clearly deepening: first all energy went to writing the process details, now it is clearer who the actors are, they require certain legitimacy. As a consequence, there is more room for substantial discussions now, we can be a bit sharper towards each other, now that we know each other and know what to expect. We do not have to evaluate each other, but still we can tell each other what we find good, and what we like less. We can do so, because people feel safer now, we have learned to trust each other.

(Interview B4)

In conclusion, while mutual learning from other Member States is often quoted as an important potential added value of OMC, learning about one’s own practices (the mirror effect) is an established practice within the OMC in both countries, and participation in the NAP exercise creates a cognitive shift towards internal Peer Review, at least in Belgium.

6.3 Summary and conclusions

The debate on the OMC is characterized by a lack of agreement about the analytical instruments to assess properly its effectiveness. Our detailed analysis of the effects of the Social Inclusion OMC\textsuperscript{14} in Belgium and France confirms this: if the yardstick is ‘regulatory change’ (e.g., changes in legislation), then our research confirms the findings of the more ‘critical’ branch of OMC literature (Citi and Rhodes, 2007): its impact is extremely limited. But if we look beyond regulatory changes to measure the effectiveness of OMC, then labelling this process ‘cheap talk’ seems extremely misleading.

We have identified two sets of effects which can be attributed to the Social Inclusion OMC. First, and probably least surprising, it has caused procedural changes in social inclusion policies in Belgium and France. We distinguish four categories. First, ‘rationalization of policies’: involvement in the social inclusion OMC boosted (Belgium) or strengthened (France) statistical capacity in both countries. This OMC also played a crucial role in launching a culture of

\textsuperscript{14} Or, to be more precise: the social inclusion strand of the streamlined OMC/SPSI.
monitoring and evaluation of social inclusion policies in Belgium; it helped to increase the coherence of national poverty indicators and reinforced domestic actors and policies in France.

Second, ‘vertical coordination’: participation in the OMC is strengthening cooperation between (autonomous) Regions in Belgium, and has increased the coordination role of the federal level (e.g. through the setting of national targets for regional competencies). This increased vertical coordination has created a spill-over effect, namely prudent yet significant intra-regional policy learning (between Wallonia, Flanders, and Brussels). Third, ‘actor involvement’: participation in this OMC has led to further strengthening and institutionalization of NGO involvement in Belgian social inclusion policies (especially in Wallonia). We did not find a similar effect in France.

Fourth, ‘horizontal coordination’: we observed increased cross-sectoral coordination in two of the Belgian Regions (Wallonia and Brussels), and a large potential (which has not yet materialized) for cross-sectoral coordination in France through the Social Inclusion Cross-cutting Policy Documents (DPTs). The latter produce cross-fertilization between the new architecture of the French state budget (LOLF) and the inclusion section of the NSR.

Our empirical analysis provides equally strong evidence for substantive shifts in social inclusion policies, in both Belgium and France. We distinguish ‘political’ and ‘cognitive’ shifts. First, participation in the OMC raised the profile of the poverty issue on the political agenda in Belgium and France, and it has also increased the focus on activation in French social inclusion policies. It provided bargaining arguments in budgetary negotiations in both countries, but most clearly in Belgium (e.g. legitimation for a significant increase in minimum income for the elderly). ‘Cognitive shifts’ are more difficult to trace. Yet we found compelling evidence that the social inclusion OMC pushed child poverty as a new issue onto the policy agendas in Belgium and France, despite rather strong initial resistance in both countries. Furthermore, participation in this OMC convinced domestic social inclusion policy makers of the utility of adopting ‘targets’, explicitly in Belgium, and largely covertly in France. The social inclusion OMC also serves as inspiration for the French national administration to redefine its new (coordinating) role in the context of decentralisation.

By far the most powerful mechanism through which the OMC works is ‘leverage’: actors creatively appropriate the different instruments of the OMC toolbox to legitimize their own preferences. This is true for the common objectives (e.g. use of the child poverty issue, in Belgium and France, to legitimize actions aimed at other target groups); the NAP/Incl (e.g. to demand increased NGO participation in Belgium), targets (as a means of increasing the coordination capacity of the federal government in Belgium); indicators (e.g. to show that national performance is not so good after all, in both countries studied); and Peer Reviews (as a means of pointing out deficiencies in policies in comparison to other Member States). Even though Peer Review is being taken up by actors in both Belgium and France, it is clearly the instrument in the OMC toolbox that is being least exploited in this respect.

A second mechanism through which OMC affects French and Belgian policies is ‘learning’: the empirical section gave examples of mirror effects, for example French actors ‘discovering’ the complete mosaic of domestic actors, their roles and responsibilities, through Peer Review. Similarly, Belgian policy makers learned that specific aspects of the child poverty problematique had been overlooked. Most unexpectedly, learning (e.g. with regard to cross-policy coordination
or NGO involvement) is taking place now between Regions in Belgium, as a consequence of the regular European reporting obligations, which contributed to unprecedented trust building between actors.

A third mechanism is ‘external pressure’, which is in general not felt as ‘soft’ at all. Actors perceive strong EU pressure to take child poverty on board as a priority issue, to start monitoring social exclusion policies, to involve a wide variety of actors, to set ambitious and quantified national targets etc.

Do these findings allow us to draw conclusions about the ‘conditions’ for OMC effectiveness? First, our analysis underlines the importance of viewing OMC effectiveness as reciprocal influence (as opposed to one-way impact). Consider, for example the ‘impact’ of the social inclusion OMC on Belgian statistical capacity building, which is in large part the result of the successful uploading, by Belgium, of the Laeken indicators during the country’s 2001 EU Presidency. The same goes for the OMC’s ‘impact’ on France’s new focus on active inclusion, which can be understood by looking at the key role the country played in 2000 in defining the Common Objectives. In other words, it seems that the ‘impact’ of the OMC depends, at least to some degree, on the involvement of national stakeholders in EU-level decision making in the first place.

This brings us to a second conclusion: our analysis demonstrates that the OMC’s domestic influence is largely independent of the actual success of Member States’ initial uploading efforts. Consider, for example, the strengthening of NGO involvement in Belgium as a consequence of OMC, despite the fact that there was already a large fit between EU-level requirements and Belgian practices. This casts further doubts on the usefulness of the fit/misfit paradigm to explain domestic adaptational pressures as a result of EU ‘soft law’ initiatives. There are some obvious explanations: 1) actors may simply misjudge the extent to which they create a misfit (and thus adaptational pressure) by uploading their preferences to the EU level (e.g. Belgium discovering it was not such a good pupil in the class with regard to actor involvement); 2) during the time between uploading and downloading of EU policies a new situation (e.g. decentralization in France) may have arisen; 3) uploading is never perfect (e.g. even though France had a dominant role in writing the common objectives, it still had to accept a compromise which included ‘active inclusion’); 4) however small the misfit, domestic actors can and do use it as a lever to force domestic changes (e.g. child poverty: first catapulted to, but then creatively seized by the domestic arenas).

A third conclusion is that the domestic effects of OMC are by no means predetermined by the institutional setting. On the one hand, different institutional settings lead to similar effects: consider, for example the significant effects the OMC had on statistical capacity building in Belgium and France, in spite of these countries’ totally different starting positions. On the other hand, several examples have been highlighted where similar institutional settings resulted in significantly different effects. Thus, in the context of devolution of social inclusion policies in France and Belgium, national and subnational policy makers have reacted very differently to the social inclusion OMC (an increased national coordination role in Belgium, and rejection, for now, of this ‘Parisian’ role in France). Another example: strong NGO involvement in Belgium and
France in the pre-OMC era, resulting in increased involvement through the OMC in Belgium and little change to the status quo in France.

Fourth: even though none of the Belgian or French actors we interviewed said the OMC was shaking domestic social policy making, Belgian actors perceive it as an increasingly important, and useful, tool in domestic policy making. French actors do so too, but to a lesser extent. Reference to the OMC is very common in domestic social inclusion policies, both in Belgium (Flemish Action Plan, national social inclusion targets, planning documents of local Public Centres for Social Welfare etc.) and, to a somewhat lesser extent, in France (National Commitment to Poverty Eradication, LOLF, DPT). In such circumstances, it seems very likely that feedback mechanisms between the domestic and EU level will further ensure the continuation of this OMC, not only as a ‘paper tiger’ but as an operational tool (in spite of its prematurely announced death by some academics). But there seems to be one important condition for this. If French civil servants, NGO representatives, and politicians are generally less supportive of the OMC this seems to be strongly related to the position of this process in the social inclusion policy arena. Even though in both countries the NAP/Incl is to a large extent a summary of decisions that have already been taken, the way these documents are elaborated differs significantly. The most important difference is that in Belgium these reports are coordinated at the political level (‘cabinet’), while it is a largely administrative effort in France. Similarly, meetings of the Social Protection Committee are being prepared at administrative level in France, but typically involve political representatives in Belgium. Further strengthening of political involvement in the OMC seems a crucial precondition for its effectiveness, and its continuation.

With this caveat, our empirical analysis of the operation of the social inclusion OMC has shown that it is certainly more than window dressing. Through mechanisms such as leverage, policy learning, and external pressure, the OMC triggers significant procedural and substantive effects, at least in some Member States. These effects are the result of processes of reciprocal influence between the EU and the domestic setting, which are rather different, and more significant in impact, than could be expected from a ‘hard law’ perspective. The OMC has clearly grown more teeth than some had expected. Or had perhaps wished.

References


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